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FM AMEMBASSY BEIJING
TO RUEHC/SECSTATE WASHDC IMMEDIATE 0158
INFO RUCNARF/ASEAN REGIONAL FORUM COLLECTIVE IMMEDIATE
RUEHOO/CHINA POSTS COLLECTIVE IMMEDIATE

C O N F I D E N T I A L SECTION 01 OF 02 BEIJING 003744

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E.O. 12958: DECL: 09/26/2033
TAGS: [PREL](#) [PGOV](#) [PBTS](#) [PARM](#) [CH](#) [IN](#)
SUBJECT: TWELFTH ROUND OF CHINA-INDIA BORDER TALKS PRODUCES
NO SIGNIFICANT PROGRESS

REF: NEW DELHI 2446

Classified By: Political Minister Counselor Aubrey Carlson. Reasons 1.
4 (b/d).

¶1. (C) Summary: The twelfth round of the China-India border talks held in Beijing September 18-19 did not produce any significant breakthroughs, according to accounts from Chinese and Indian officials. According to Chinese scholars, the disposition of the Dawang region of Arunachal Pradesh remains the most significant area of disagreement. The controversy over China's role in temporarily blocking consensus during the September 4-6 Nuclear Suppliers Group meeting did not affect the border talks, according to the Indian Embassy, though one scholar suggested the U.S.-India civil nuclear agreement would result in China hardening its position on the border dispute. End Summary.

12th Round of Border Talks

¶2. (C) MFA officials were characteristically uninformative on the results of the twelfth round of border talks led by Chinese State Councilor Dai Bingguo and Indian National Security Advisor M.K. Narayanan in Beijing September 18-19. MFA referred PolOff to a September 19 press release, which noted "pragmatic, candid and friendly" talks, but offered no indication of actual progress. Contacts at the Indian Embassy said that the border talks continue to address the most difficult step of the three-step process; that is, establishing a comprehensive framework for addressing the border issue. (The two sides agreed to the first step, establishing "political parameters and guiding principles" of a border resolution in April 2005. Our Indian contacts believe the third step, actual demarcation of the border, would follow quickly once the two sides have agreed to a framework.) Our Indian Embassy contact noted that like the eleventh round in September 2007, the two sides achieved no real progress during this latest round. Still, the Indian side remains committed to continuing the talks because of the positive political atmosphere they engender. Our Indian contact commented that the high number of one-on-one meetings between Dai and Narayanan during this latest round is an encouraging sign.

Dawang/Tawang Remains a Sticking Point

¶3. (C) Ministry of State Security-affiliated China Institutes for Contemporary International Relations (CICIR) South Asia scholar Hu Shisheng said the disposition of Dawang (Tawang), which China maintains is part of Tibet, in Arunachal Pradesh remains the focus of contention. Beijing University South Asia scholar Han Hua said the two sides have shown some flexibility in resolving Aksai Chin, but not on Arunachal Pradesh. Our Indian Embassy contact separately concurred, noting that an August 12 media interview with Indian NSA Narayanan, in which Narayanan identified Tawang as one of the remaining "areas of divergence," accurately reflects the

current state of the border talks.

14. (C) CICIR's Hu said that though currently the talks are realizing no significant progress, the two sides need to continue talking "to be ready" to take advantage of breakthrough opportunities in the future. Hu noted, for example, that India in 1988 was not prepared to accept Deng Xiaoping's offer of a "West for East" swap (i.e., Indian recognition of Chinese sovereignty over Aksai Chin in exchange for Chinese recognition of Arunachal Pradesh). That said, the fragile nature of coalition governments in India precludes any "bold decisions" on the border dispute because of popular pressure not to cede more territory, according to Hu. He added that the Indian media's negative depiction of China continues to stoke anti-China sentiment, particularly among India's middle class. Hu stated China does not escape similar public pressure on territorial issues, and he further predicted that "democratization" efforts within the Communist Party will result in a Chinese leadership more influenced by public opinion and therefore less able to compromise on the border issue.

NSG, 123, and the Border Talks

15. (C) Our Indian Embassy contact said that any negative atmosphere created by China's behavior during the September 4-6 Nuclear Suppliers Group meeting was resolved during FM Yang's September 7-9 trip to India and did not affect the recent border talks in Beijing. Beijing University's Han suggested that China rather than India may now harden its position on the border dispute because many in China perceive

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the U.S.-India 123 civil nuclear agreement as mainly a strategic rather than an economic pact.

16. (C) In a September 22 briefing to Beijing-based diplomats, MFA Asian Affairs Department India Division Director Wang Jinfeng said that during September 7-9 visit to India, FM Yang Jiechi offered Indian FM Pranab Mukherjee "an explanation and clarification" on China's "principled and consistent stand" on the NSG exemption (reftel). Calling reports of China's attempt to block consensus "baseless," Wang admitted that "maybe there were some misunderstandings" with India over the issue. CICIR's Hu suggested that China was conflicted over the NSG waiver for India, caught between wanting to be perceived as supportive of the United States and India, but not wanting to abandon its consistent nonproliferation position, particularly with "China's neighbors" (i.e., Pakistan and North Korea) watching.

17. (C) Chinese Academy of Social Sciences South Asia scholar Ye Hailin suggested that China's behavior in the NSG meeting will make it difficult for China to champion similar waivers for other countries. Beijing University's Han separately agreed, pointing out that China's improving nonproliferation policies will prevent China from supporting exemptions for more problematic countries.

RANDT